

Honorable John W. McCormack
Speaker
House of Representatives
Washington, D. C. 20515

Dear Mr. Speaker:

This letter transmits for the consideration of the Congress a proposed amendment to the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. The proposed amendment authorizes monthly periods to be used in computing the rise in Consumer Price Indexes and provides for cost-of-living adjustments of annuities on a more current basis.

The cost-of-living adjustment provision for the Central Intelligence Agency Retirement system was adopted from provisions of law then applicable to civil service and military retirees. The provision affecting military retirees was recently amended by Public Law 89-132. This amendment gears adjustments to monthly rather than average calendar year Consumer Price Indexes, accelerates the annuity increase due on 1 April 1966 to a more current date, and provides for the more current payment of subsequent increases. Similar legislation affecting civil service and foreign service retirees is under consideration in the Congress.

The reasons for changing the mechanics of cost-of-living adjustments for military, foreign service, and civil service retirees apply with equal force to retirees under the Central Intelligence Agency Retirement system. Enactment of the proposed amendment will assure that the Central Intelligence Agency Retirement system remains in line with these other retirement systems and Administration policy.

We would appreciate early and favorable consideration of the proposed amendment. The Bureau of the Budget has advised that there is no objection to presenting the proposed amendment to the Congress from the standpoint of the Administration's program.

Sincerely

Richard Helms
Deputy Director